



## West Europe Awaits Outline of U.S. View On Split Over Russia

By Joseph Fitchett  
*International Herald Tribune*

PARIS — As President Reagan starts his first official visit to Europe, the question preoccupying most Western officials is whether the U.S. leader can reverse tendencies driving the United States away from its allies.

The Reagan administration believes consolidated, stepped-up pressure on the Soviet Union will ensure Western security. Most European leaders have a different priority: reviving their own economies to ensure political and social stability.

The crux of the debate, according to a senior French official, is

France is suggesting a pragmatic compromise minimizing ideological animosities. The French view is that Western cooperation with the Soviet bloc should be carefully limited to areas where it clearly serves the West's own interest. In addition, French officials want any move to tighten export credits to be part of a general policy, not a political act specifically directed at the Soviet Union and resembling sanctions.

Similar signs in Washington suggest that the Reagan administration is preparing to accept partial acquiescence and small steps toward its views in Europe, according to European correspondents given pre-summit briefings.

While still uncertain whether U.S. officials are simply changing their tone or signaling a more accommodating view, several reporters found that the Reagan administration, while keeping open its option of trying to block the Europe-Siberian natural gas pipeline, is resigned to preventing its enlargement.

Similarly, despite European antipathy to economic sanctions against the Soviet Union, which is a vast market as well as a superpower, French officials say they are ready for collective "monitoring" of Western commercial facilities to the Eastern bloc.

None of these adjustments is likely to be sweeping at first. Europeans still criticize U.S. grain sales to the Soviet Union. U.S. officials contend that grain sales are for cash and do not subsidize Soviet arms. But European officials point out that if U.S. sales mop up Soviet cash and Europe restricts credit, as sought by Washington, the Soviet Union will be unable to pay for industrial imports from Europe.

Despite these frictions, Mr. Reagan is seen by his European counterparts as increasingly interested in cementing alliance solidarity. He has seized the high ground of arms control issues with his recent announcement of strategic arms reduction proposals (and a pledge to abide by the unratified SALT-2) coupled with a leaked new proposal on cutting conventional forces in Europe.

Many European commentators note that U.S. opinion seems to be forcing Mr. Reagan back toward the political mainstream. And the budget difficulties have shown that the president cannot always have his way with Congress.

This has reassured European leaders, convincing them that Mr. Reagan may now share their eagerness to make his trip a success.

In the discussions starting Friday and bound to continue,

the West, not the Soviet Union,

is at a turning point, he said, because the potential of new technology, the theme of President François Mitterrand's personal message to the Versailles economic summit conference, offers vistas of economic recovery for the industrial world and for developing countries.

Implicit in the French view is the idea, often voiced in Europe, that it is counterproductive to wage economic war on the Soviet Union if the campaign does more harm to Western economies in lost jobs than it damages Soviet power.

The strongest version of this view is held by West Germany, which is seeking, notably at the North Atlantic Treaty Organization summit meeting next week in Bonn, to get the Western alliance to reiterate its commitment to detente. The United States, in contrast, wants NATO to emphasize defense as its current priority.

Some recent progress seems within reach in bridging this gap.

French officials hope East-West issues will not dominate the Versailles summit and U.S. officials said Thursday they did not want to be "spoiled."

In the discussions starting Friday and bound to continue,



United Press International  
Nancy Reagan, wearing rhinestone-studded black satin knickers by the U.S. designer James Galanos, welcomed François Mitterrand and his wife, Danielle, to a dinner at the U.S. Embassy.

## Summit to Hear Coordination Plan

(Continued from Page 1)

scribed as "an observation mechanism" of the economic behavior of participating nations. Its mandate could later be expanded to include policy recommendations affecting a participant's monetary and fiscal policy, Mr. Regan indicated.

Although Mr. Regan declined to

reveal details of the plan, he said

that in the administration's view,

"the mechanism" also could be

placed under the direction of the

International Monetary Fund, in-

volving participation by finance

ministers and possibly central

bankers.

"The basic idea is to provide a

way of getting more convergence in policies among nations who have widely differing policies — by linking monetary stability and sound economic policy," Mr. Regan said, adding that initially, "the purpose is making observations, not recommendations."

The participating countries

could include the United States,

France, West Germany, and Japan, Mr. Regan said.

The dinner Thursday was served

on pink chintz tablecloths, cen-

tered with silver candelabras and

pink candles surrounded by pink

and white sweet peas. The news

releas

er provided by Mrs. Regan's

press office also mentioned that

the tables were to be set with china

and glassware provided by the

U.S. State Department.

The menu was French: sea bass

flambé in fennel, and saddle of

lamb à la Richelieu with bou-

quette of fresh vegetables and a

very Gallic cheese, Brillat-Savarin.

But all the wines were American.

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## Guatemalans Say Repression Is Eased

Situation Improves in Cities but Killing of Indians Reportedly Increases

By Raymond Bonner

New York Times Service

GUATEMALA CITY — Since a coup in March handed power to a three-man military junta headed by Gen. José Efraín Ríos Montt, there appears to have been a marked improvement in the human-rights situation for Guatemala's urban class, according to both diplomats and Guatemalans.

There has been less repression of the Roman Catholic Church, the press and the university. There are fewer kidnappings and killings of politicians and workers, hundreds of whom were assassinated in the civil war that began during the previous regime.

On the other hand, the slaughter goes on in the countryside as if nothing had ever happened, said a businessman who, like most people in Guatemala City, does not allow his name to be used.

According to an account carried in the country's second largest newspaper, *El Gráfico*, 110 peasants including children were assassinated in 48 hours late last month in Quiche, a mountainous province that is a rebel stronghold. The newspaper carried an unusual editorial harshly condemning the violence.

The Committee of United Peasants, a leftist organization that seized the Brazilian Embassy in Guatemala City recently, claims more than 3,000 peasants were killed by the government in the first six weeks after the coup.

Peasants Are the Enemy

Asked why repression had diminished in the cities but continued in the countryside, one politician said: "The army no longer sees the politicians as enemies, but the peasants still are." He, too, felt free to meet with foreign correspondents, but not secure enough to allow his name to be used.

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The missile has an unusual political status as a centerpiece of NATO modernization and as a problem for the Kremlin.

Because it can strike targets in the Soviet Union within 8 to 10 minutes, it is believed to have helped persuade the Kremlin for opened negotiations in Geneva.

The first two test flights of the Pershing-2, to take place at Cape Canaveral, Fla., are important because they are the only ones in the 18-test series in which the missile will be fired to its full 1,000-mile range.

Last year, Army witnesses told Congress that a production decision on the Pershing-2 would be made this month, after the first two flight tests had been completed and reviewed.

On Wednesday, an Army spokesman confirmed that De-

simated in 48 hours late last month in Quiche, a mountainous province that is a rebel stronghold. The newspaper carried an unusual editorial harshly condemning the violence.

About midnight, more soldiers arrived. The villagers say the soldiers began setting fire to the thatched-roof houses and killing. At least 20 people were killed, most of whom were women and children, the villagers said.

A former soldier who now works for a small company in Flores, the largest nearby town, acknowledged that the army had burned the village and killed the people, because "they were subversives," he said.

Asked if the Indians in Jocelmo supported the guerrillas, a survivor answered "probably." Asked why, he glanced in the direction of the soldiers in camouflage uniforms who were manning a machine-gun post and answered: "Because they have unjustifiably killed so many."

Guatemala's previous military government was widely considered to be one of the most repressive in Latin America. The United States



Gen. José Ríos Montt

has supplied only minimal economic assistance since 1977, but now the Reagan administration wants to provide helicopters, about \$2.5 million in spare parts, \$300,000 for military training and at least \$50 million to aid the country's crippled economy.

## Weak U.S. Economy, Funds for El Salvador Peril Foreign Aid Bill

By William Chapman

Washington Post Service

WASHINGTON — The Reagan administration's foreign-aid bill has been sent to the House floor as a one-vote margin in the Rules Committee amid predictions that it is doomed.

House members of various political leanings were lining up to attack one of the year's most important pieces of legislation. A supplemental authorization, it contains more aid for El Salvador, a renewal of assistance for Argentina and Chile, and money for this fiscal year for Egypt and Israel.

"It will be a disaster," said Rep. William S. Broomefield of Michigan, the Foreign Affairs Committee's ranking Republican. Rep. Broomefield said he would support the measure, but "It will be like raw meat hitting that floor."

The 5-4 vote of the Rules Committee came Wednesday after several members questioned the wisdom of submitting it next week, as the House leadership intends.

The mood is considerably different from that which prevailed last year, when a fragile alliance was patched together to pass the Reagan administration's first measure. That was possible because some conservatives who habitually vote against foreign aid were encouraged to support a package substantially increasing military assistance.

That appeal now has been overcome by recession and unemployment.

Disenchantment with some of the proposed aid recipients also makes passage doubtful. Rep. Da-

vid E. Bonior of Michigan, a Democratic member of the Rules Committee, said Wednesday he would speak against the bill because it contains too much money for what he called "repressive governments."

The bill carries small amounts for military training in Chile and Argentina and \$60 million in military aid for El Salvador, compared with \$26 million voted last year, and comes to the floor as support for that country is diminishing. A new suspension by the Salvadoran government of part of the land-reform program endorsed by the United States is cited as a key reason for the decline in support.

Rep. Clement J. Zablocki, a Wisconsin Democrat who is chairman of the Foreign Affairs Committee, indicated he would seek to amend the bill on the floor to put more restrictions on the money intended for El Salvador. A draft of his amendment, similar to part of one already attached in the Senate, would prohibit any funds for that country if it changes or suspends the land-reform program to the detriment of the beneficiaries.

Meanwhile, a House subcommittee voted to make it even more difficult for President Reagan to certify next month that El Salvador is eligible for U.S. assistance.

The Inter-American Affairs subcommittee unanimously approved an amendment requiring the president to certify that El Salvador is trying to bring to justice those responsible for the slayings of four U.S. churchwomen and two labor leaders in 1980 and 1981.

The suspected killers have not been brought to trial.

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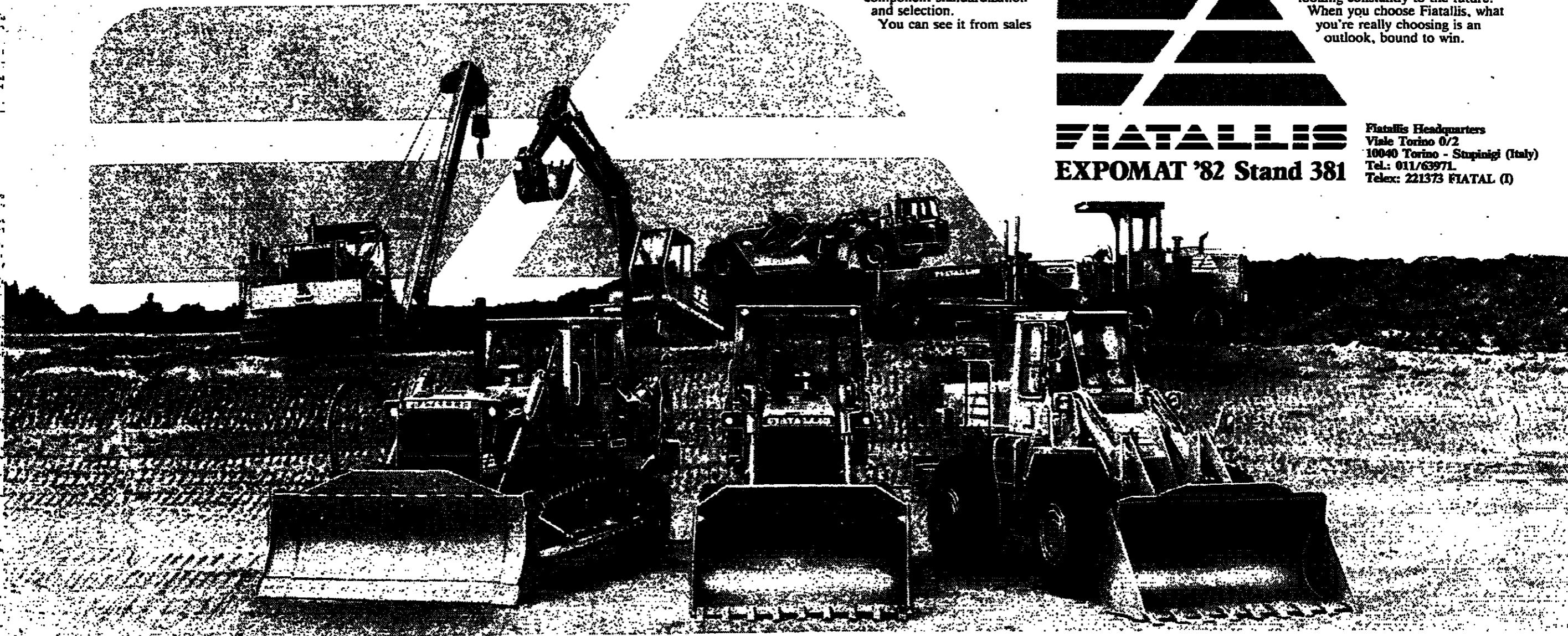
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# Herald Tribune

Published With The New York Times and The Washington Post

## Reagan and the Alliance

This is Ronald Reagan's first trip to Europe as president, and, although he has been elsewhere, Europe is still collectively the paramount of foreign stages — the big one — and he can be forgiven for wanting to make a hit. Many Europeans have had a caricature — the nuclear cowboy, the unserious Californian — in mind when they contemplated the president. Mr. Reagan has changed much of it by his recent remarks on arms control. But he remains a good way from filling the alliance leadership role he plainly aspires to. At the economic summit opening Friday at Versailles and the NATO summit next week in Bonn, as well as on assorted other stops, the president will have his chance.

At Versailles Mr. Reagan will find even more discontent with his economic policies than he did in Ottawa last summer. With U.S. inflation down and interest rates still sky-high, the American dollar is stronger. Fear of devaluing their currencies has kept the Europeans from pursuing expansionary policies to alleviate the worldwide economic slump. This puts Europeans on the other side of their complaint of a few years ago that America was pursuing high employment at the cost of exporting inflation to its trading partners; now the United States is said to be exporting unemployment. Once again the United States and its allies are out of economic phase with each other, with the important difference being that unemployment is now much higher in America and abroad. The proposal for "convergence of economic policies" that Mr. Reagan is taking to Versailles is sound, but it will not be enough.

Other nations will have their own special proposals. The French, for instance, have

strong feelings that a commission should be established to encourage research and development so that new technology can be shared among all countries, including the less developed ones, and not monopolized by the industrially favored few.

On the political side, Mr. Reagan carries to Europe a vision of the Soviet peril less apocalyptic than the one he brought to the White House but still more alarmed than the one dominant on the Continent. Europe's anxieties and economics are tied much more closely to the state of East-West relations than are those of the United States. This creates a requirement not for unanimity of outlook, which is out of the question, but for regard for differing circumstances. Mr. Reagan has already greatly relieved the allied governments, although not the whole "peace movement" by his evolving ideas on arms control. It puts him in a position, we think, to expect some further appreciation of his views on East-West investment and trade.

Within the administration, a certain confidence bordering on airiness was evident as Mr. Reagan headed for Europe. A personal success was anticipated, and the alliance was said to be blooming under his leadership. The president no doubt will represent America's ally. But there can be no concealing that the alliance is under severe if not permanent strain, no less real for being less in the foreground than it was six months ago at the time of the suppression of Solidarity in Poland. No single presidential trip finally solves anything. The proper yardstick is the degree of seriousness and honesty the alliance brings to addressing its continuing difficulties.

THE WASHINGTON POST.

## New York and Versailles

Looking to dramatize the issue at the Versailles summit meeting, the Reagan administration is suddenly talking tough on trade. It says that Canada's subsidy of the sale of subway cars to New York violates trade laws. Yet the Metropolitan Transportation Authority seems bent on making an example of the deal. And if Mr. Reagan does press his opposition, New York may be forced to pay roughly \$100 million more over the life of the loan.

In another context, the Treasury's position would be sound. Export subsidies are a way of stealing jobs. They distort trade relationships and cause friction among allies. That is why President Reagan intends at Versailles to propose a gradual end of the practice, and why some observers believe he has a chance of persuading America's trade partners.

The American competitor, the Budd Company, cried foul. Financing below market rates of interest is an implicit subsidy, it contended, and therefore illegal. The Treasury, concerned about the general growth of such subsidies, sides with Budd.

American trade law does allow the government to exact duties equal to the amount of any subsidy. As often as not, however, the Treasury turns a blind eye. Since 40 percent

of the work on the Canadian cars would be done in the United States, one might have expected such benign neglect in this case. But the Reagan administration seems bent on making an example of the deal. And if Mr. Reagan does press his opposition, New York may be forced to pay roughly \$100 million more over the life of the loan.

Three firms — one French, one Canadian and a U.S. subsidiary of a West German conglomerate — want to build the 825 subway cars. The MTA favored the \$663-million bid of Bombardier Corp., in part because the Canadian government would finance the purchase at a 9.7-percent interest rate.

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But New York is an odd place to begin this assertion of national rights. It had no government grant to permit a cash purchase, so it was open to the offers of low-interest loans. Washington officials, who ride in Italian subway cars, express sympathy. They might apply their power more discreetly. With the Reagan administration reducing transit subsidies, one more wink would let Canadian taxpayers make up the loss.

THE NEW YORK TIMES.

## Other Editorial Opinion

### Accepting a New-Model Reagan

There are strong reasons for accepting the new-model president at face value. Disarmament is only the latest of a whole series of issues on which the president has moved away from his electoral rhetoric and back toward the central themes of recent U.S. foreign policy. Early fears of aggressiveness or isolationism have proved unfounded; NATO remains a cornerstone of policy; and American reaction to recent perplexities — notably the Falklands crisis and the new aggressiveness of Iran — have looked very like the reaction which might have been expected of any previous U.S. administration.

This development of policy has been a product both of the president's own character and of political and economic pressures. Mr. Reagan came to office classed as a populist, but his real strength is in persuasion. His early triumphs with Congress and the warm personal relations he has established with several European leaders show this.

—From The Financial Times (London).

### A 'New Monetary Order'

The United States lets the dollar vary at the whim of interest rates and international tensions. President Mitterrand is said to plan to urge his six Versailles partners to set up a new monetary order based on the dollar, the yen and the European Currency Unit. Will Ronald Reagan agree to put an end [to monetary disorder]? It is quite unlikely. Yet the French head of state's idea points in the direction of good sense. Although nothing immediately concrete ever results from these periodic summit conferences, they sometimes have good effects by delayed action.

—From *Le Figaro* (Paris).

### South Atlantic Perspectives

The Argentine generals did not consider

### June 4: From Our Pages of 75 and 50 Years Ago

#### 1907: Hebrew University Proposed

NEW YORK — The establishment of a great Hebrew University is proposed, to include the leading institutions throughout the country with the Jewish Theological Seminary in New York at their head. A preliminary endowment fund of \$10 million is suggested. The projectors declare that such a university is necessary to teach young Jews their religion, while at the same time developing Jewish scholarship. As New York City contains nearly a million Jews, the scheme has locally aroused great interest. The Evening Post laments the idea, believing that it would emphasize racial differences and be a serious blow to the liberalizing tendencies in the universities which have many Hebrew professors.

#### 1932: Hindenburg Dissolves Reichstag

BERLIN — President Hindenburg has signed a decree dissolving the Reichstag, and forestalling the virtually certain defeat of the von Papen government, due to opposition of the Socialists and the Center parties. According to the constitution, new elections must be held within 60 days. In spite of governmental assurance that there is no danger of inflation, greatly increased buying by the public has been reported for the last two days by leading stores and warehouses. It is also reliably reported that the government may be compelled soon to announce that it is unable to pay fully foreign private debts. Such an announcement may be made at the Lausanne economic conference.



## Versailles

### • Despite Earnest Preparations, a Prospect of Failure

By Hobart Rowen

PARIS — Whatever their failures and missed opportunities, the economic summits among heads of government in the past seven years have defused tensions among the Western powers. But the danger for the one starting this week in Versailles is that the economic problems are so deep and so intractable that, despite advance preparations, real tensions are unlikely to be eased and significant problems are unlikely to be addressed.

The seven summits to date have had an important damage-control function: protectionism would surely have been worse without them. The inaugural Rambouillet summit in 1975 set the principle that Western leaders must consult on monetary and other economic affairs. The Tokyo summit in 1979 was noteworthy for generating at long last a political commitment to cut back on oil imports.

Above all, the summit process itself not only concentrates the minds of the leaders on the acute business of international economic affairs, but sets up a preparatory process within the seven bureaucracies that is — as Anthony Solomon, president of the New York Federal Reserve Bank, recently observed — "a tremendous animating effect."

Thus, as President Reagan and his fellow heads of government gather this week in Versailles, some of their principal deputies have been meeting almost continuously for much of the past year to search for answers to common problems and seek out the common ground.

Last week, at hearings conducted in Washington by the congressional Joint Economic Committee (which were, incidentally, among the most useful and substantive such hearings

that I can remember), Harald Malmgren, a trade consultant, observed that "the conditions right now are exceptionally favorable for economic nationalism, isolationism and indiscriminate protectionism."

The world is now in its third year of stagnation in trade; there has been no growth in the trade volume among the rich industrial nations. As a result, says Malmgren, "virtually every government in the world is now trying to increase exports, limit imports and promote domestic jobs. And with a pie that is not growing, it is only self-evident that that can only be achieved by one taking from the other."

This serious economic malaise endangers what Solomon was an active participant in the Carter summit cites as the main undergirding support for summits: the belief that each country has a concrete interest in other countries doing well. One worries that at Versailles the leaders will play lip service, and little else, to this noble idea of interdependence.

If it works out that way, Malmgren has an explanation ready: The American approach to trade problems is to react to current complaints from domestic industries suffering from competition, while the Japanese and European approach is to deal with such problems in a longer context. They recognize that the world is on the brink of a technological revolution, likely to create widespread unemployment, and that government itself must play a bigger role to moderate the economic and social instability that may lie ahead.

A frightening example given by Malmgren:

By the early 1990s, using robots, the auto industry in the United States could be back at its old peaks of 10 million to 12 million cars a year (about twice current production) with half of the present auto labor force.

"If we continue to base our international meetings like the summit on current complaints, we will simply not be able to deal with the problems ahead," Malmgren said. "No nation can run well by looking backward."

Another divisive issue concerns the extension of subsidized credits by the European countries to the Soviet Union. The Reagan administration's attitude, simply put, is: Why should the West help its enemy? But Europeans believe that weakening their economic ties with the Soviet Union would merely strengthen the political hawks in Russia.

It will be too bad if the summit focuses exclusively on East-West issues, because the West-West problems are so much more important. Rightly or wrongly, Europe believes that the decline of economic gain in its pitiful falings may only help to distract attention from its pitiful falings, not only from the torture, the death, the tens of thousands of its own citizens.

It is a bit grotesque to see General Galtieri crying because of the men who died in the sinking of the Belgrano and not shedding tears for the thousands of young men who have died in his prison.

Asked if he has in Argentina one of the most repulsive regimes that have ever existed in the New World in Latin America, Fuentez said: "We think the Malvinas belongs to the Argentine Republic." But the question was if he was more complicated, he said: "You have in Argentina one of the most repulsive regimes that have ever existed in the New World in Latin America. The junta is responsible for the disappearance, the torture, the death of tens of thousands of its own citizens."

Fuentes depicted a U.S. policy that he said ignored historical lessons, "that suffers from acute amnesia." He said Washington was "highly responsible" for what had happened in the Falklands.

If Mrs. Kirkpatrick was sent

down to Buenos Aires to say, "What wonderful people you are, you are not totalitarians, you are simply authoritarian, we love you," and Mr. Enders went down there, and Secretary Haig, when asked what the United States had in common with the Argentine military regime, said, "We both believe in God" — naturally the junta felt that they had the green light from the United States to go forward with this adventure.

The leftist governments of Latin America had acted no better in the Falklands crisis, Fuentes suggested. Countries such as Cuba and Nicaragua "have joined the chorus, forgetting the nature of the Argentine regime, siding with it — probably because the Soviet Union approves of it."

Fuentes spoke of a fundamental immaturity of Latin societies: "We are communities that have not yet achieved nationhood." Argentines, he said, "don't have sovereignty over their own country, let alone over the Malvinas..."

"We cannot build societies of the future on ideology, sacred thinking, the abuse of human rights and simplistic nationalistic sentiments. We can only build secure Latin American societies on the basis of democracy."

That is the vision that should inform U.S. policy in the region. The United States cannot please every other country, in Latin America any more than in other parts of the world. Having nothing more than short-run, opportunistic policy aims will not work. Whatever the immediate problems, the United States must identify itself with a human and political vision that fits its own ideals. That is why John Kennedy's Alliance for Progress had an impact, not because of specific details. Fuentes put it this way: the United States must have "a policy worthy of itself."

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### • Agreeing to Study Would Be Agreeing to Not Much

By Joseph Kraft

WASHINGTON — The industrial powers came to their economic summit at Versailles this weekend with unclear hands. Each pursues policies that hurt the others.

Elements of a bargain that would make economic relations beneficial instead of harmful are present. But what seems to be emerging among the United States, Europe and Japan is a cosmetic accord designed to obscure inability to tackle fundamental problems.

Reaganism will put America on the defensive. Its policies have not only yielded big budget deficits, record interest rates, recession and growing unemployment in America, they have also spilled across the Atlantic.

High interest rates in America oblige the Europeans to keep their currency competitive as a barrier against flight from their currencies. As a result, they suffer slow economic growth and rising unemployment. In the past year the jobless figures in Europe rose from under 6 percent to over 8.5 percent. So even crusty West German bankers, known for their horror of inflation, are now screaming at Washington to lower interest rates.

The Europeans are themselves vulnerable to harsh criticism. Despite Afghanistan, despite the crackdown in Poland and despite the recent evidence that Russia is vulnerable to economic pressure, they are doing business as usual with the Russians. Apart from extending generous credits for purchase of industrial goods the West Germans, French, Italians and British have entered into a multibillion-dollar gas pipeline deal with Russia.

The deal may not make the Europeans dan-

gerously dependent upon Russia for gas, but thousands of jobs hang on equipment for the pipeline. Because of the importance of jobs at a time of high unemployment, the deal builds up pressure for even more European accommodation to Russia. So the United States, although embarrassed by its unwillingness to cut grain sales to Russia, has been pushing the Europeans hard to limit future credits to Moscow.

As for the Japanese, by tight budgeting and easy money they have sustained low interest rates, low unemployment and relatively rapid growth. But those blessings are possibly only because Tokyo insulates trade and financial markets against the outside world. The yen, which most studies show should stand at about 200 to the dollar, has been kept artificially weak, at over 235 to the dollar. With that currency advantage the Japanese are exporting at record levels to the United States and Europe.

Not surprisingly, there has developed on both sides of the Atlantic a strong drive for discriminatory protection against Japan.

Similarly, a simultaneous assault on all these problems is possible at Versailles. President Reagan could use the occasion to modify policies so as to reduce budget deficits and ease interest rates. The Europeans would then find it much easier to limit credits to Russia. The Japanese would come under irresistible pressure to increase domestic spending in their budget, thus building up local demand for goods and reducing the export impulse.

But no single leader commands sufficient

prestige to arrange that kind of agenda. Instead, the United States has led the way to an approach that substitutes study for action.

Treasury Secretary Donald Regan, the strong man on economic matters in Washington, has agreed to establish a study group of five countries within the International Monetary Fund. The five governments will examine the degree to which official intervention in currency markets might soften the international impact of fluctuating rates. Since the United States had previously refused even to discuss intervention in currency markets, the Regan offer symbolizes a concession in the direction of admitting responsibility for the damage U.S. economic policies do to other countries.

Similarly, symbolic concessions are being prepared by the Europeans and the Japanese. The Europeans will agree to study ways to curb credits to the Soviet Union. The Japanese will undertake to look anew at measures that might strengthen the yen, reduce exports and help to open domestic Japanese markets.

Agreement to study, to be sure, implies a little progress in coordination of economic policies. But only very little. For the approach to the summit has skirted the basic problems of America's high interest rates, Europe's slide toward Russia and Japan's undervalued currency. Barring some unexpected stroke, the Versailles summit will mainly certify the collective impotence of the foremost political leaders to deal with the problems that now make the world economy a distinctly shaky affair.

But no single leader commands sufficient

prestige to judge this way, but it is the wage of self-respect. Argentine claims are not believed until proven. Britain's word stands.

Milne calmly noted, when the BBC were mounting that the service had referred to "the British" and "the Germans" or whatever, in World War II, and again, as appropriate, during the 1956 Suez crisis, and it was not about to change now. That reflects the independent attitude that has won world acceptance for its news.

This kind of reputation, like democracy, takes a long difficult, vigilant effort to build. It can easily be destroyed, even by small slippages, but to restore it requires heroic new effort.

Attacks on the determination of responsible British media to seek objectivity were shockingly ill-considered. It is to the credit of the nation, which gave 80-percent approval to the BBC in an independent survey, as well as to those who resisted pressure to silence critics, that a greater value than the Falklands has been saved.

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## Britain Won the News War, but There Were Problems

By Flora Lewis

FEELINGS were stirred not only by the national effort, that they were too "evenhanded." There was even a charge of treason, and Mrs. Thatcher joined the general attack.

This is a fundamental issue at a time of crisis in any country. It requires a fundamental response, as successive U.S. governments had trouble learning during the Vietnam War, with the result that Washington lost ready credence for its statements both at home and abroad. American politics and foreign policy still suffer, and will

# For Cairo's Poor, a Rooftop, Riverbank or Graveyard Is Often Home

By William E. Farrell  
New York Times Service

is not going to be a overwhelming and emergency session of American cheerers that showed how bold is right now in the U.S. during the fall. The some point will ease the crisis. Had there been a basis for American Fuentes, the American playwright and for rehashing a play can Repertory Theatre. Asked about the Boston, Fuentes agreed with the point of Malvinas being a Republic. "But the more complicated..."

"You have to agree ever created in the Latin America. The responsible for the torture, the thousands of this, this is something. It is a golden general who died in Belgrano, and not for the thousands who have died in this, this is something. Fuentes deplored that he said, "that after Malvinas," he and were "highly responsible" in the Falklands.

If Mrs. Kirkpatrick down to Belgrano, "What wonderful you are not looking simply, authorizing you," and Mr. Fuentes, and Senator asked what the U.S. in common with a military regime, said he believed in God — meant, felt that God had given him a special position it gained in Washington in the 1970s because of its relatively independent foreign policy stands inside the Suez bloc.

Meanwhile, a letter of protest to Mr. Ceausescu was being circulated for signatures in the Senate by Daniel P. Moynihan, Democrat of New York. The letter broadly attacks Romania's treatment of other ethnic and religious minorities.

Citing documents and information reaching the Helsinki Commission, Amnesty International, Radio Free Europe and other organizations, the letter denounces what it calls "ample use of prisons, labor camps and psychiatric facilities... in the apparent deliberate harassment of Baptists, Pentecostals, Orthodox and other religious groups."

"As of Wednesday, 31 senators had signed the letter. A spokesman for Sen. Moynihan said the number could reach 50 within a few days.

## Credit Meeting Postponed

"The International Monetary Fund's board has postponed approval of new funds for Romania, according to Western diplomats in Bucharest, Reuters reported Thursday.

"The board was to have met May 28 to approve a recommendation from the IMF's technical committee to release the second

consultation on whether the foundations can bear the added burden.

CAIRO — Hassanien Farouk Ibrahim, a 26-year-old carpenter, was evicted from a rooftop house he had erected on a Cairo building. Deprived of funding other accommodations, he set fire to himself and died.

Three elderly persons inhabiting a dilapidated and condemned building in a Cairo slum died recently when the building collapsed from sheer fatigue.

Some time ago, a man who had just moved into a Jerry-built new building on the road to the Pyramids went out to a newspaper. When he returned, the structure had disappeared and his wife and son were dead. The building had collapsed because the owner skimped on structural and engineering standards.

There are three of the grimmer realities about the desperate need for housing in Cairo and elsewhere in Egypt, a need that prompts owners to add stories to old buildings, frequently without

rich. The noise of pile drivers is a commonplace addition to the city's normal din.

But the vast majority of the new building is not destined for the hundreds of thousands of Egyptians living marginal existences.

According to data compiled by the economic section of the U.S. Embassy in Cairo, "the construction industry is the fastest-growing segment of the Egyptian economy." But the builders say there is no profit margin in erecting low-cost housing.

It is not just a problem affecting the country's poor. Many middle-class families, civil servants, teachers and the like whose marginal salaries prompt them to take second jobs, are packed into dwellings passed on to them by their parents. For these people, there is a crying need for more space and scant chance of getting it because of the skyrocketing costs of rentals and cooperatives.

There is evidence of new high-rise construction everywhere in Cairo. There are tall buildings destined to be hotels or office towers or apartments for the upper middle class and the

built each year. This figure is estimated to be a sixth of the annual total.

In recent years, the greater Cairo metropolitan area has experienced a surge in population. The embassy puts the figure at about 14 million for a city whose 1950s-era foundation was designed to handle about 2 million.

The migration from the countryside, along with the soaring birthrate, has sorely taxed this foundation, and thousands of buildings have been put up by outflanking the officials and with little concern for providing appropriate sewer and power systems.

## An Unplanned Warren

A major example is the road leading from the center of Cairo to the Pyramids. A few years ago, the area was a combination of desert and farmland. Today, it is an unplanned Warren of apartment dwellings, and the road is clogged with traffic and scurrying pedestrians.

A form of rent control exists in Cairo's older apartment buildings, some of them fine exam-

ples of art deco. A family who moved in 30 years ago may well pay the same rent it did on moving day. This, say landlords, is a disincentive to maintain the buildings and accounts for the fact that while an individual apartment may be a splendid airy abode, the hallway and the front may be crumbling to pieces and filth.

The situation is dire enough that some editorial writers have called for a permit system to limit the number of persons who can settle in the country's two major metropolitan areas, Cairo and Alexandria. But so far, no attempts have been made to do this, and people continue to flock to both places.

The rapid rate of construction, while still not fast enough to keep up with demands, has created another problem besides unplanned urban sprawl. The building boom has used up considerable amounts of Egypt's limited agricultural lands, a circumstance that further increases the nation's enormous dependence on foreign food imports.

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## U.S. Researcher Freed After Admitting Crime, Chinese Officials Say

From Agency Dispatches

PEKING — The Chinese authorities released an American research student Thursday, saying she admitted her crimes during nearly a week of detention under suspicion of stealing state secrets. She now faces deportation within 48 hours.

Lisa Wiesner, 28, a graduate student in agricultural economics at the University of Denver, was released Thursday afternoon and taken by a U.S. Embassy officer to an apartment to rest. She was expected to return to her own apartment later.

A Foreign Ministry statement said Miss Wiesner "has confessed to committing crimes and asked for lenient treatment." Premier Zhao Ziyang said he was sure the woman was guilty.

A U.S. spokesman said the embassy had protested the Chinese handling of some aspects of the case. Informed sources said the embassy was not notified of Miss Wiesner's arrest until Saturday and that no consular access was allowed until Monday. This was said to be regarded as a violation of a recently signed convention.

## Protest Rejected

The Chinese press agency said the Foreign Ministry had strictly observed the terms of the convention, and it called the embassy's interpretation of the text one-sided.

"The Chinese Foreign Ministry categorically rejected the protest and expressed regret at the U.S. side's distortion of facts," it said.

Diplomatic sources said it was possible that Miss Wiesner had obtained some state documents during research for her doctorate. In

China, virtually any fact that has not been officially published can be regarded as classified information and hence not to be divulged to foreigners.

With her confession and plea in hand, security officials decided to release and deport her, said the statement. It did not specify any crimes.

Chinese officials told the U.S. Embassy before her release that Miss Wiesner would be freed from the Peking Public Security Bureau but that she would "remain under Chinese jurisdiction."

Embassy representatives attempted to meet security authorities to clarify the pre-release statements but a scheduled meeting was canceled.

Miss Wiesner was seized last

Friday morning at her hotel, the first detention of an American since China's Cultural Revolution.

She has spent two years in China researching agriculture and is engaged to a Chinese citizen. She was seized by security agents when she returned to the Friendship Hotel on the outskirts of Peking.

Mr. Zhao, who is on a six-day visit to Japan, said in Tokyo Thursday: "I am not familiar with the background because this incident happened after I left the country. But I am sure she must have committed a crime or the Chinese government would not have arrested her."

Miss Wiesner's release followed talks between a visiting U.S. senator, Howard H. Baker Jr., Republican of Tennessee, and Chinese officials.

The Senate majority leader told reporters he had expressed his concern about the affair to Deputy Foreign Minister Zhang Wenjin.



HIGH-SPEED LINE — Premier Zhao Ziyang of China, waiting at Tokyo station on a "Bullet Train" to Osaka Thursday. Mr. Zhao, on a six-day official visit to Japan, warned the United States that continued sale of arms to Taiwan could endanger U.S.-Chinese relations.

## Of Pigs, Beer and Democracy: Tribal Voters Wooed in Papua New Guinea's 2d

Reuters

PORT MORESBY, Papua New Guinea — After a colorful and unpredictable campaign, voters in Papua New Guinea go to the polls beginning Saturday for the nation's second general election in the seven years since independence.

The campaign has been dominated by personalities and by unashamed attempts to win voters, many of them tribal warriors, by dispensing gifts, including pigs.

The electorate takes in a thousand tribes, including highland warriors who still fight battles with Stone Age weapons. More than 700 languages are spoken in the country, which has a population of more than three million.

At electoral rallies, candidates have displayed long poles with bank notes stuck to them to demonstrate their wealth and importance.

With 1,100 candidates contesting the 109 seats in the single-chamber National Parliament, results are difficult to predict.

An absolute majority for any single party is considered extremely unlikely by observers in the cap-

ital, Port Moresby. The new government is likely to be decided by complex and prolonged horse-trading after votes are counted.

The voting itself takes place over three weeks, as polling teams fan out from the Misty Star Mountains in the west to the palm-fringed Nukumanu Islands, 1,250 miles (2,000 kilometers) to the east. Papua New Guinea occupies the eastern part of the island of New Guinea, Indonesia's Irian Jaya province occupies the west.

The electorate takes in a thousand tribes, including highland warriors who still fight battles with Stone Age weapons. More than 700 languages are spoken in the country, which has a population of more than three million.

Some voters in Sir Julius was a major vote. In addition, he has run a skillfully organized campaign.

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## ARTS/LEISURE

## Alan Pakula Tackles Filming of 'Sophie's Choice'

By Janet Maslin

New York Times Service

**NEW YORK** — It isn't 1947, but it might as well be. Ex- and stroll through Playland in Rockaway, wearing vintage summer clothes, the women with impossible '40s makeup and hairdos.

"Hey, sailor, I got a dame for you," jokes one gray-haired extra to another, who's in uniform. Little girls in singlets play catch for the camera, then slip into anachronisticown jackets between takes, since the morning is chilly. Children who seem to have stepped out of old pictures are

coddled by moms in 1982 running clothes.

They are gathered for the filming of "Sophie's Choice," the best-selling novel by William Styron that is being adapted for the screen by Alan Pakula and is scheduled to open in December.

Pakula, writer and director of the film version, has been at work on the screen adaptation since he saw a 1979 announcement for the book in Publisher's Weekly, long before "Sophie's Choice," Styron's fifth novel, enjoyed its 47 weeks on the best-seller list. While the book was still in galley, Pakula ar-

ranged (with Keith Barish, the real estate developer who has also bought screen rights to "The White Hotel") to buy it for about \$750,000.

**Tragic Heroine**

Now a \$12-million to \$14-million movie is under way, with Meryl Streep as Styron's tragic heroine, a Polish Catholic who survives Auschwitz and settles in a Brooklyn rooming house in 1947. Through Sophie's story, both her concentration camp experiences and their consequences, Styron examined the Holocaust on an individual scale, Kevin Kline, fresh from "The Pirates of Penzance," plays Nathan, Sophie's dashing, wild-tempered lover, Stingo, the young Southerner who is something of an alter-ego for Styron, is played by Peter MacNicol, of the Broadway hit "Crimes."

Most of the film has been shot in Brooklyn and in a Manhattan studio doubling for the interior of the boarding house. The last scenes, filmed in Yugoslavia, will be flashbacks of Sophie's girlhood and her time in Auschwitz.

**Amusement Park Sequence**

In Rockaway, on a brilliantly sunny morning, the film crew is staging an amusement park sequence Pakula has worked into the story to illustrate the first days of the trio's friendship. The setting is supposed to be Coney Island, but Playland is more picturesque. The only thing to break the old-fashioned mood is the occasional sight of a Concorde flying by.

Streep appears, wearing a straw hat, a feather boa and a floppy print dress. Sophie and Nathan are supposed to be dressed in 1920s clothing for a lark, so Kline sports knickers, argyle socks and a bow tie. They're heading for a ride called the Calypso followed by a sound man who still hasn't gotten over the previous day's shooting on the Roustabout, which tilts and spins its passengers. "I was white as a sheet," the sound man says.

So is Streep when she finally slithers off the Calypso, groaning. "Why do they call them amusement parks?" she cries, in the Polish accent that, after two months of intensive Polish lessons, she now uses on camera and off. Kline, after gallantly scooping Sophie out of the Calypso, also re-

mains somewhat in character, playfully rooting through Streep's pocketbook. "Have we got any more money, honey?" he inquires.

There's no sign, in the merit of the moment, that "Sophie's Choice" will be a story of violent emotional extremes, or that the filmmaking has been mercurial in its way. When the crew arrived in Rockaway, the weather wasn't suitable, so the Playland scenes were postponed and, instead of romping on the roller coaster, the actors found themselves in the studio filming the movie's grim climax.

"I thought I had several days to prepare," MacNicol says in his Texas accent. "And on that day the crew was quite rambunctious, because of the general dishevelment of the schedule."

Streep puts it breezily, "Oh, but that's how the story goes. It's very high-contrast day to day. Some days are very happy, and some days are like a descent into hell." Beyond this, she doesn't want to discuss the film: "Everything you say about a movie before it comes out gives people a reason not to believe it when it does."

Kline: "It's terrible when the audience can say, 'Oh, that's the actor that loves gardening and has a drinking problem. You kind of see it in his work. Interesting.' That can rob you of the experience of it, spoil the magic." Spoiling the magic, or rather not spoiling it, is very much on Kline's mind where Nathan is concerned, since there are important aspects of Nathan's character that the film is deliberately slow to reveal. "I've had to do a lot of active forgetting," he says.

**Stage Actor**

He first heard of "Sophie's Choice" when a friend read the book and told him, "There's a part in it that you would be perfect for, but some movie star will play it." So he didn't read the book until Pakula approached him about the role. Kline was solely a stage actor, and he has since fulfills "Fathers," which will also open at the end of the year.

He is still adjusting to the new demands of the camera. "The problem with Nathan is he's a very theatrical person. I can see the reviews now: 'Kevin Kline obviously didn't learn the lesson of how screen acting is different from stage acting, and he's given a theatrical performance here.' There may be ways of playing a theatrical character on screen that I don't know about yet."

**Pay for Getting Wet**

When Pakula was trying to raise money for "Sophie's Choice," to be presented by Lord Grade with Martin Stager as executive producer, it was suggested that he give the story a happy ending. He declined.

Pakula had a couple of reservations about tackling "Sophie's Choice" at first. "If this film were about Auschwitz, I wouldn't cast myself for that. My father came over from Poland at age 6, but I'm not European either." To bolster the authenticity of the European scenes, Pakula will have a consultant who was imprisoned at Auschwitz. The actors will speak Polish and German, with subtitles.

"I think there are very few times in your life when a subject seems to involve as much of you as this does," Pakula says. "There are times when I've worried whether I have the right to do this. In the end, I did it because I thought, 'My God, it's going to take several years of my life to make this film. What a wonderful way to spend several years.'"

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WHICH WILL BE PUBLISHED ON  
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## Opera: The Monnaie Approach

By Andrew Clark

International Herald Tribune

**B**RUSSELS — If you were to compile a list of Europe's most-talked-about opera houses of the season, the Théâtre de la Monnaie would feature prominently, if only for the extent of the changes that have taken place.

The Monnaie is one of the Continent's oldest established houses, betraying its vintage in the cramped and out-dated backstage conditions as well as in the magnificent gold decoration and ornate design of the foyer and auditorium. In the years following World War II, Brussels' reputation as a center for operatic excellence faded, and for more than 20 years the Monnaie's claim to fame has rested mainly on its association with Maurice Béjart's Ballet of the 20th Century.

The theater's long-serving director, Maurice Huisman, retired last summer, and his successor, Gérard Mortier has begun to lay the foundations for a hoped-for return to the major league of the world's opera houses — although the state subsidy remains roughly the same at about 300 million Belgian francs (\$6.7 million).

The Opera Studio has been axed, releasing much-needed funds to expand the orchestra to more than 80 players. Mortier has made use of this size and flexibility in his first year's program.

There has been a notable production of Berg's "Wozzeck," which has already visited Paris and may visit at least one European summer festival next year. Next season's program looks on paper to be an even balance ranging from Rossini's "La Cenerentola" to more adventurous repertoire such as Bernd Alois Zimmermann's "Die Soldaten."

For his supporting cast, Mortier has chosen the experienced British conductor John Pritchard and the young Frenchman Sylvain Cambreling to share the post of musical director. The Belgian stage director Gilbert Delo, still relatively little known internationally, is head of production. As yet the new regime has encountered no serious union problems, operatic scandals or cancellations. Productions are regularly televised, and the orchestra has given increased importance to a series of symphony concerts, which should improve standards.

The latest opera production provides ample justification for the new approach. Massenet's "Cendrillon" which can be seen again tonight and Sunday afternoon, and will be back in the repertoire in December, has been built around the American mezzo soprano Frederica von Stade, who has already recorded the title role. Her radiant stage presence reflects the character of the Cinderella personality, and her pure vocal quality matches Cinderella's innocence and the charm of the music.

If the genre seems slightly dated and sentimental, "Cendrillon" has enough musical plumb to justify a place in the current Massenet revival, though it will always be the kind of opera that is dependent on first-class production and casting.

**Production Problems**

The production at the Monnaie has had its problems, largely on account of the illness of the conductor, John Nelson, and a sudden cut in rehearsal time. The orchestral playing under his replacement, Jacques Delacôte, is insensitive, with coarse tonal balance. There are weaknesses in the cast, too. Jules Bastin, as Cinderella's henpecked father, has the right figure to play the buffoon, but he is capable of no more than an exalted form of *parlance*, which seriously undersells the music.

Von Stade's performance has irresistible vocal refinement and natural grace, and if it was curious of Massette to cast the prince as another mezzo, sung here by Ann Murray, the blend has its charms, especially when offset in the Act 3 trio by the coloratura soprano of the fairy godmother.

Costumes and interiors are taken from the turn of the century when the opera was written. The caricaturing of stepmother and ugly sisters and the antics of the servants at first threaten to reduce the piece to operetta. There is also an element of kitsch in the slide show of potential brides for the prince. But movement and lighting are musically conceived, and the rest of the court scenes are distinguished by meticulous control of chorus ensemble and by exotic choreography. Delo fires the imagination most of all in scenes with the fairy godmother, bathed in moonlight on an open stage, and surrounded by commedia dell'arte figures. There is no shortage of enchantment here.

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## Dow Jones Averages

	Open	High	Low	Close	Chg.
30 IND	818.02	824.22	816.25	821.25	+3.23
15 IND	118.42	117.70	116.25	111.05	-12.42
15 UTIL	319.85	317.37	314.87	314.75	-1.08
Standard & Poors Index					
Composite	116.95	118.25	116.75	117.25	+0.30
Industrials	123.25	123.25	122.50	123.25	+0.25
Utilities	116.42	116.42	115.85	116.25	+0.40
Transport	172.75	172.75	172.25	172.75	+0.50
Transp.	172.75	172.75	172.25	172.75	+0.50

## Odd-Lot Trading in N.Y.

	Buy	Sales	Short	Short
June 1	10,475	24,473	1,250	1,250
June 2	10,475	24,473	1,250	1,250
May 26	10,475	24,473	1,250	1,250
May 27	10,475	24,473	1,250	1,250

\*Included in the sales figures.

## Market Summary, June 3

## Market Diaries

## AMEX Stock Index

## NYSE Index

## NYSE

## AMEX

## High Low Close Chg.

## Vol. Up

## Prev. Clos.

## Prev. Clos.

## Decr.

## Prev. Clos.

## Prev. Clos.

## Total

## Prev. Clos.

## Prev. Clos.

## New high

## Prev. Clos.

## Prev. Clos.

## Dow Jones Bond Averages

## Buy Sales Short

## High Low Close Clos.

## Bonds Utilities

## Industries

## High Low Close Clos.

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## BUSINESS / FINANCE

## BUSINESS BRIEFS

## NEC to Boost Output of 64K Chips

TOKYO — Nippon Electric Co. said Thursday that it plans to boost its production of 64K random access memory chips to 2.5 million a month by next March 31 from the present 1.1 million.

Last week, Hitachi announced a plan to more than double its production of the chips to 2.2 million a month by year-end. Both companies cited increased export demand, especially from the United States and Europe, for the devices, which can store 64,000 bits of information and are used in sophisticated computers.

NEC said that 60 to 70 percent of its output is being exported but that it tries to avoid lower-priced export orders to forestall charges of dumping or selling at unfairly low prices.

## Alfa's Loss Put at \$120 Million

MEXICO CITY — Alfa lost about \$120 million last year, compared with a 1980 profit of \$160 million, according to a company source. The source said Wednesday that the loss at Mexico's largest private company was caused mainly by a rise in import costs and the servicing of Alfa's huge debt.

The Monterrey-based company — whose interests include tourism, food, steel, petrochemicals and construction — has been seeking a restructuring of its \$2.3 billion of foreign debt. In April, Alfa said it could no longer meet principal payments on that debt.

## NLT's Offer for Insurer Draws 33%

NASHVILLE, Tenn. — NLT, seeking to acquire 50.2 percent of American General, has received tenders for about 7.9 million common shares, or 33 percent of the common outstanding.

NLT said Wednesday that it also has tendered about 425,000 of American General's 1.3 million convertible preferred shares. NLT is seeking 11.2 million common shares for \$30 a share and all of the junior preferred at \$40 a share. NLT already owns 2.2 percent of American General.

The Houston-based company last week said it opposed the NLT bid, which could lead to a merger valued at \$1.3 billion if regulatory approvals are received. In April, American General offered to acquire NLT for \$11 in stock. Both companies are primarily engaged in the insurance business.

## Lurgi Sees Year or Two of Weakness

FRANKFURT — Metallgesellschaft's Lurgi unit expects the market for industrial plants to remain weak for the next year or two, the group chairman, Dietrich Natus, said at a press conference Thursday.

New orders for the year ending Sept. 30 will be good mainly because of a single large project that has been under negotiation for some time. Mr. Natus said Lurgi's order book stands at about four billion Deutsche marks (\$1.7 billion), up from 3.1 billion DM last Sept. 30. The outlook for fiscal 1983 is much worse, he said.

## Hochtief Reports Talks on Stake

ESSEN, West Germany — Intensive discussions are being held over Hochtief's 20-percent holding in Philipp Holzmann of Frankfurt, a Hochtief management board member, Hermann Cobet, said Thursday. But he said, Hochtief is not considering an increase in its stake in the construction company.

He declined to say what parties are taking part in the discussions but added that the stake, which Hochtief bought from Westdeutsche Landesbank last November, is not seen principally by Hochtief as a long-term investment.

Mr. Cobet also said that Hochtief will have trouble this year matching the results of 1981, when group profit surged 49 percent to 184.5 million Deutsche marks (\$77.5 million). He said that construction fell about 10 percent from a year earlier in the first four months of 1982.

Hochtief also said it plans to propose at next month's annual meeting a one-for-four bonus issue that would increase its nominal capital to 150 million DM from 120 million.

## Cities Service to Review Mesa's Bid

TULSA, Okla. — Cities Service said Thursday that its board will meet next Tuesday or Wednesday to review Mesa Petroleum's offer to acquire a majority interest in the Tulsa-based oil company for \$50 a share, or a total of about \$1.7 billion.

On Wednesday, Cities Service filed suit in U.S. court in Delaware against Mesa in an effort to block the Amarillo, Texas-based concern's takeover plans. The suit charges Mesa with violating U.S. antifraud and securities law. Cities Service also has offered to buy 51 percent of Mesa for \$635 million, or \$17 a share, in another attempt to frustrate Mesa's plan.

Cities, the 19th largest U.S. oil company, charged in the suit that Mesa has engaged in tactics "calculated to cause Mesa's shareholders not to tender into the Cities Service offer by misleading them into believing, among other things, that there is a realistic potential for Mesa to acquire Cities Service."

## Egypt, Allis-Chalmers Sign Deal

CAIRO — Egypt signed a \$100-million contract with Allis-Chalmers, the U.S. equipment maker, on Thursday for the replacement of blades in the 12 turbines of the Aswan dam power station.

Egyptian officials said the project will be financed by U.S. economic aid to Egypt, currently running at more than \$1 billion a year.

The blades used by the turbines, which generate over half of Egypt's electricity, have developed cracks and can no longer be maintained. The project, scheduled for completion in 1990, would increase Aswan's generating capacity by three percent, the officials said.

Compiled from Agency Dispatches

## U.S. Retailers Report Healthy Gains for May

NEW YORK — Leading U.S. retail chains announced healthy sales increases Thursday that exceeded some forecasts, but Wall Street analysts cautioned it is premature to suggest the consumer is leading the economy out of recession.

Most analysts said the increases — for some stores the first substantial gains in months — were the largely result of deferral buying from April, when sales were depressed by poor weather.

## Woolworth's Gain

The most notable sales' improvement in May sales from a year earlier were posted by Sears, Roebuck & Co., F.W. Woolworth, J.C. Penney, and Montgomery Ward. Before May, Penney and Ward had sales' declines for each of the previous four months.

Woolworth's 7.5-percent May sales' increase to \$582.8 million was the retailer's best since April, 1981, and a 7.2-percent advance to \$1.53 billion was the highest for Sears since last September's 9.3-percent sales' gain.

Penney said sales were up 3.9 percent in May after a 6-percent drop in sales the month before, and Ward sales rose 5.3 percent after declines near 10 percent in each month since January.

Daniel Barry of Kidder, Peabody & Co. said, "There is no question sales in May were better than what retailers were budgeting," and could mean the beginning of the long-awaited upturn in the consumer sector of the economy. But, "one month does not tell enough," he added.

Jeffrey Edelman, an analyst

with Dean Witter Reynolds, said the May sales show the consumer is willing to spend money.

However, there still is evidence of recession, he added. "The sales gains, minus new store openings and inflation, were up only modestly, indicating recession remains a factor."

Mr. Edelman said he expects to see gradual improvement in the months ahead, but "retailers in the second quarter might be hard-pressed to match last year's numbers."

Mr. Barry said he believes earnings of most retailers will be down in the second quarter of this year. They will be comparing with an exceptionally good second quarter a year ago, he said.

The analysts said a solid recovery in the sluggish merchandising industry probably would not begin until sometime after July's federal income tax cut and Social Security increase — perhaps as late as mid-August.

"Retailing is going to be 'Dullsville' for the next few months," said Jeffrey Feiner of Merrill Lynch, Pierce, Fenner & Smith Inc. "The consumer doesn't have a need to come back to the stores until the back-to-school season."

## Recession's Impact Widens

Sales of most expensive items generally were lower in May, however, apparently reflecting the spread of the recession into upper-income brackets.

Monroe Greenstein, an analyst for Bear, Stearns, said, "The effects of the recession so far this year have been much more pervasive. Last year it was confined to lower- and middle-income consumers."

## Farm-Gear Firms Still Mired in Sales Slump

## At Massey, Bad News Continues

New York Times Service

TORONTO — Like its major competitors in the depressed global market for farm equipment, Massey-Ferguson of Toronto has reeled from one crisis to another in recent years.

Massey, which reports results in U.S. dollars, has rolled up losses of \$334.4 million since 1978. In a bid to stay solvent, it has slashed its worldwide work force by nearly half, ruthlessly pared nonperforming assets and gone hot in hand to its lenders and various governments for bailout financing.

For all its efforts, according to analysts here, Massey — the world's largest tractor producer and a large-scale manufacturer of combine harvesters and diesel engines — remains in precarious condition.

"I have certain reservations" about Massey's ability to survive, said David Schulman, an analyst with the Montreal investment firm of Geoffrion Leclerc. But if there is any bright spot in the company's outlook, he continued, it lies in the stringent measures that it has thus far taken to stem its losses.

"As the weakest of the lot, Massey suffered first," Mr. Schulman said. "But it has done all the things necessary to insure its survival. The problem is that the market has not cooperated by delivering the ultimate necessity for survival — higher sales."

The international sales slump has also battered International Harvester, Massey's major competitor in the farm-equipment market.

For Massey shareholders, the latest in a long series of negative developments was the announcement last week that the company was suspending dividends on its guaranteed preferred shares after reporting serious losses for the second quarter and six months ended April 30.

The shares are guaranteed by the governments of Canada, Britain and the province of Ontario as part of a 715-million-Canadian-dollar (\$573 million) refinancing last summer. Under the

## AT A GLANCE

## Massey-Ferguson

All dollar amounts in thousands (U.S.) except per share data

Year	Revenue	Net	Income
1981	\$1,082*	\$161	\$161
Net Sales	\$557,026	\$72,665	\$16,007
Net income per share	—	—	—
Employees, Oct. 31, 1981	19,001	19,000	19,000
Total assets, Oct. 31, 1981	\$2,563,400	—	—
Current assets	1,268,200	—	—
Current liabilities	842,800	—	—
Net worth, Oct. 31, 1981	2,194,770	225,100	19,000
Net earnings per share	—	—	—

NYT

## Deeper Cuts Are Planned At Harvester

By Winston Williams

New York Times Service

CHICAGO — The new chairman of International Harvester, in a cautious assessment of the company's prospects, has said that Harvester's cash position is strong enough to guarantee its survival for the next 60 to 90 days and possibly through the end of the fiscal year, Oct. 31.

At his first news conference since he joined Harvester last month, Louis W. Menk said Wednesday that vast layoffs — along with inventory trimming, divestitures and liquidity-preserving measures — have improved the company's cash position in the past few months.

He said the fiscal second quarter, which ended in April, was the "most critical" but added: "That's not to say we won't have more critical quarters."

Mr. Menk refused to forecast when the company will return to profitability. "Any junior high school student would know we've got serious problems," he said. Even so, while he allowed that Harvester could be forced to seek protection from creditors under Chapter 11 of U.S. bankruptcy law if business deteriorates much further, he said he did not expect that.

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Lewis W. Menk

## BP Net Fell 77% In First Quarter

## '81 Purchase of Kennecott Causes Sharp Rise in Operating Expenses

From Agency Dispatches

LONDON — British Petroleum, hit by a sharp rise in operating costs and sagging oil prices, reported Thursday that its after-tax earnings in the first quarter fell 77 percent from a year earlier to \$91 million (\$163 million), despite an 18-percent increase in revenue to \$28.02 billion.

But it still was the largest contributor to BP's operating profit.

Next largest contributor was exploration and production, where profits rose to \$2.38 million from \$1.88 million.

However, the chemical sector continued to lose money, down from \$3.7 million.

BP said there may be some improvement in the oil market as the surplus of crude oil and products has been cut and spot prices have increased.

In an effort to stem retailing losses, BP's U.K. subsidiary BP Oil has withdrawn dealer concessions, which will result in its U.K. retail gasoline prices rising an average seven pence a gallon to 17.7 pence, a BP Oil spokesman said Thursday.

The spokesman said that the rise in operating expenses to \$6.37 billion from almost \$5 billion was mainly due to the cost of running Kennecott, the U.S. mining company BP bought in March 1981 for \$1.8 billion.

BP also said the improvement in European oil trading seen towards the end of 1981 was not sustained in this year's first quarter, although the group's oil trading activities worldwide operated close to break even on a replacement cost basis.

The group's share of income from its 53-percent stake in Standard Oil of Ohio was reduced to \$454 million from \$555 million by a combination of lower oil prices and higher exploration spending.

That competition has resulted in increased refining margins in Britain, and industry sources said Thursday that most major oil companies are resisting the increase.

A spokesman for Royal Dutch/Shell group said the company is disputing BNOC's argument that \$3.50 reflects true value in relation to market conditions. Shell's main concern is to discourage BNOC from announcing any further rise for third quarter, he said.

Pressure on European oil trading margins was increased by the dollar's strengthening against local currencies, BP said, although there has been some recent strengthening of European currencies against the dollar.

BP's share of British North Sea production in the first quarter averaged 493,000 barrels a day versus 544,000 a year ago.

## Chrysler Forecasts Operating Earnings for Second Quarter

From Agency Dispatches

ST. LOUIS — Chrysler will report an operating profit for the second quarter, the automaker's chairman, Lee Iacocca, said after the annual meeting Thursday.

At the annual meeting, Mr. Iacocca said Chrysler is likely to repay its \$1.2 billion of government-guaranteed loans early, allowing the company to resume quarterly dividends "in a few years." Chrysler last paid a dividend in the second quarter of 1979, when the payout was 10 cents a share.

In 1981's second quarter, Chrysler had an operating profit of \$11.6 million, but for the full year it recorded a loss of \$475.6 million.

In 1982's first quarter, Chrysler had a loss from continuing operations of \$89.1 million but was able to report net income of \$149.9 million because of the sale of its defense unit. Mr. Iacocca reiterated that the

company expects to be profitable for all of 1982. He has predicted 1982 earnings of \$150 million.

A Chrysler spokesman said the company is required to repay the \$1.2 billion by 1990 and cannot resume dividend payments until that debt is repaid. In addition to the U.S. loans, Chrysler has about \$800 million of long-term debt outstanding.

The chairman also said Chrysler plans to spend more than \$7 billion in the next five years to develop products, up from about \$6.5 billion.

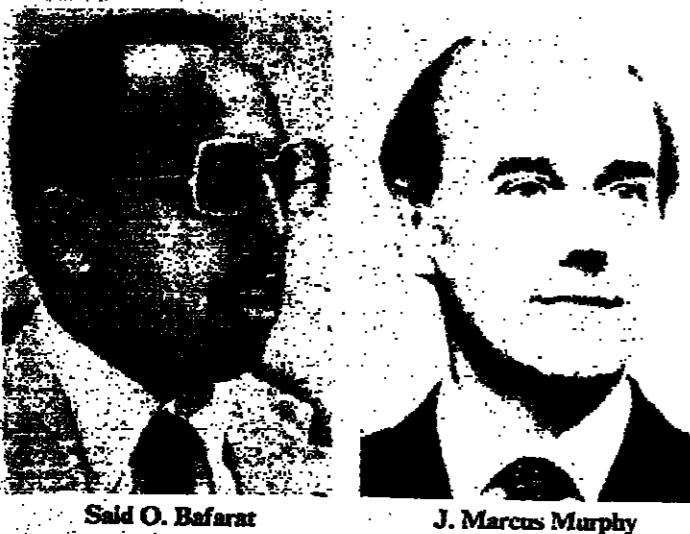
In the 1984 model year, Chrysler will introduce a two-seat, front-wheel drive sports car, the G-2. Mr. Iacocca said. The company also plans to spend \$354 million to convert a Windsor, Ontario, plant to produce a new line of "space vans," vehicles smaller than conventional vans but larger than station wagons.

Mr. Iacocca reiterated that the

three percentage points higher than those of General Motors.



## BUSINESS PEOPLE



Said O. Bafaraz

J. Marcus Murphy

Said O. Bafaraz has been appointed a vice president of Saudi American Bank. Mr. Bafaraz heads the private banking division of Saudi American Bank in Jeddah.

ITT Europe has elected J. Marcus Murphy as a vice president. Mr. Murphy is general counsel of ITT Europe.

Morgan Guaranty Trust has appointed James L. Berliner, a vice president, as head of a new energy and minerals department with responsibility for Europe, Africa and the Middle East. Mr. Berliner will succeed Peter L. Wolke in the energy area and will be based in London.

Patrick Wye, previously the chief executive officer of the Pacific Bank Berhad in Malaysia, has been appointed managing director of Arab Asian International Ltd., the Hong Kong registered subsidiary of Arab Asian Bank. Mr. Wye succeeds Michael Baldwin who is

returning to the bank's group headquarters in Bahrain as senior vice president for financial institutions. The bank also announced the election of Omer Bujamal to vice chairman of Arab Asian Bank. Mr. Bujamal is the chief manager, international division, National Commercial Bank of Saudi Arabia.

Due to an expansion into the broker and international markets, Credit & Commerce Insurance Co. (UK) has appointed four new executives: Nik Hastings, marketing manager offshore division; Sydney Kiltner, marketing manager broker division; Ahmed Rasheed, marketing manager direct sales; and Paul Smith, manager of marketing services.

Banque Scandinave en Suisse has named Claus G. von Dardel as deputy chief executive. Mr. von Dardel was previously senior vice president of international business of Skandinaviska Enskilda Banken, Stockholm.

## Massey's Future Is Uncertain Despite Ruthless Asset Cuts

(Continued from Page 7) agreement, the three governments are obligated to redeem upon request \$287 million of the preferreds.

With the dividend now suspended, analysts expect that shareholdes — 15 Canadian institutions — will turn in their stock. If all such shares are tendered, the Canadian government would end up owning 5 percent of Massey's equity, Ontario 3.6 percent and British 4.2 percent.

Mr. Schulman noted that the participation of the governments makes Massey's survival a political as well as a business matter, thus enhancing the company's prospects.

## Economists Predict U.S. Upturn Will Lead to Wider Trade Deficit

By Linda Mattson  
Reuters

NEW YORK — The U.S. trade deficit is likely to widen this year from 1981's deficit of \$39.7 billion, largely due to an expected economic upturn in the second half, according to a survey of economists.

The economists made their forecasts despite particularly favorable figures for April.

Last week, the Commerce Department reported that the merchandise trade deficit was \$32.2 million in April, the lowest since December, 1975, and much smaller than had been expected. This compared with a \$2.64-billion deficit in March.

In releasing the April figures, a Commerce Department spokesman said, "It's more and more likely the full-year deficit will not be above" last year's level.

Wide Swings

However, private economists disagree, predicting a worsening in the deficit to at least \$40 billion to \$45 billion.

They cautioned against reading too much into the April figures. "I wouldn't call this a trend," said Anne Mills of Irving Trust.

She and other economists noted that the U.S. trade figures show wide variability from month to month, and a trend has been difficult to discern.

Mr. Mills noted that in 1981, for example, the average difference in the monthly figures was \$1.8 billion, and the pattern of wide swings has persisted this year.

Bernard Walther of Bankers-Trust said, "I tend to view [April's figures] as an aberration." Part of the variability might be statistical, in that some imports at the end of a month may be included in the following month's figures, he said.

In addition to cutting its em-

ployment by almost half since then, Massey under Mr. Rice has sold 28 units, realizing 211 million Canadian dollars for them. One of the divestments in 1981 was Massey's diesel engine plant in Canton, Ohio.

Last year, the company also closed its plant in Des Moines, Iowa, which had made the successful Series 4000 four-wheel-drive tractor, and shifted production to Brantford and Toronto, Ontario. A management group headed by Mr. Rice took over at Massey in 1978 following a decade of rapid expansion in world markets that left the company heavily in debt and in poor condition to cope with the combination of declining farm markets and double-digit interest rates.

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ployment by almost half since then, Massey under Mr. Rice has sold 28 units, realizing 211 million Canadian dollars for them. One of the divestments in 1981 was Massey's diesel engine plant in Canton, Ohio.

The pattern to continue in the second half of the year as the economy begins to recover. Mr. Mills said the oil inventory drawdown earlier this year "has probably reached a maximum," and oil imports will increase.

The economists also noted that oil prices are likely to rise again later in the year, as the recent oil glut appears to be ending.

They noted that the anticipated upturn in the economy would also increase imports of manufactured goods, which fell 16.7 percent in April alone.

At the same time, Dimitri Balashov of Manufacturers Hanover Trust said, exports will remain sluggish, reflecting stagnation not only in the industrialized countries, but also in the OPEC and non-oil producing developing countries.

## Harvester Plans More Cuts in Operations

(Continued from Page 7)

Chapter 11 of U.S. bankruptcy law if business deteriorates much further, he said he did not expect that.

On May 20, the maker of farm machinery reported that its second quarter loss had more than doubled from a year earlier, to \$19.3 million, on sales of \$1.5 billion.

James C. Cotting, Harvester's chief financial officer, said that last week's switching of the company's pension fund assets out of stocks and into bonds had reduced Harvester's unfunded pension liability by 60 percent, to between \$600 million and \$650 million. The move also reduced the company's annual pension expenses by \$50 million, he said.

The pension fund has been important in discussions of Harvester's financial plans and alterna-

tives. Several analysts have said Harvester's lenders have been reluctant to force the company into Chapter 11 because its unfunded pension liability exceeded its net worth, which meant, in theory, that nothing would be left for secured lenders in the event of liquidation.

Mr. Menk denied that the company is considering asking for federal financial help in the new restructuring plan that it must submit to its lenders by July 31. Mr. Menk and Mr. Cotting tried to play down the importance of the deadline, saying they would simply continue to work with the lenders if they disapprove of the blueprint.

Mr. Menk predicted further layoffs and job eliminations. More divestitures are planned, possibly including the construction division, he said. Mr. Menk also said the company is completing the sale of its interest in two iron ore properties.

One of his main tasks, he said, will be finding a successor for himself. Mr. Menk, 64, recently retired as chairman of Burlington Northern. He had been a member of the Harvester board for eight years.

He also said Harvester has nullified the agreement by which it lent Warren Hayford and Archie McCordell, the former president and chairman, respectively, a total of \$2.7 million to buy Harvester stock.

## Layoff Accord in France

CHICAGO (Reuters) — International Harvester said Wednesday that the French government and French banks have agreed to help it pay 450 million francs (\$72

## COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

## Britain

	1981	1980
Revenue	1,410	1,190
Profits	119.5	82.7
Per Share	0.182	0.1355

	1982	1981
Revenue	1,420	1,277
Profits	91.0	36.0
Per Share	0.135	0.043

## British Petroleum

	1982	1981
Revenue	5,220	4,660
Profits	1,837	1,235

## West Germany

	1981	1980
Revenue	5,220	4,660
Profits	1,837	1,235

## Semiconductor Firm Sold

Reuters

SANTA CLARA — National Semiconductor has acquired the assets of Xicor, a Latham, N.Y., based maker of semiconductor products, for an undisclosed price.

## OESTERREICHISCHE ALPINE MONTAGENSSELLSCHAFT (VOEST-ALPINE)

Bonds of 1985 Due 1985

5.4%  
US \$12,000,000.

12th Drawing by lot of May 14, 1982

The holder of the above mentioned bonds are hereby informed that this year's redemption instalment of US \$972,000, maturing June 15, 1982 has been partially effected by repurchase in the market and partially by drawing by lot.

Amount repurchased: US \$729,000.

Amount drawn: US \$243,000.

The following bond numbers have been drawn by lot in the presence of a notary public:

— denomination of US \$1,000.

— denomination of US \$250.

— 1573-1598; 1399-1404; 1571; 1473; 1477  
— 0480-0518; 0710-0816; 0818-0859; 0861-0865; 0881-0892; 0895-0898; 0907-0916; 1033; 1045; 10531-10533; 10549; 10554-10558; 10659-10661; 10663-10671; 10674; 10685-10696; 11059-11067; 11097-11098; 11350; 11352-11808; 147-157.

The bonds so called will become due and payable on and after June 15, 1982 at the offices of the paying agents mentioned in the terms and conditions of the bonds.

Furthermore it is recalled that the following bonds, drawn in previous years have not yet been presented for payment:

Maturity US \$1,000. US \$250.

15.6.1975 2100

15.6.1977 2406

15.6.1980 5332-5333; 5360-5363

6262-6264; 6274-6275; 6282-6284;  
6300-6421; 6505-6511; 6558-6559;  
6564-6567-6568  
2912-2913; 2922-2924; 2979-2980;  
3022Amount remaining outstanding after June 15, 1982:  
US \$3,264,000—represented by 2448 bonds of US \$1,000.  
3264 bonds of US \$250.BANQUE INTERNATIONALE A LUXEMBOURG  
Societe Anonyme  
Trustee  
Luxembourg, June 1st, 1982.

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\* AT COCONUT GROVE (the elite residential area): a "hamlet" of 11 villas, 175 sq.m., set in a private, tropical park, with swimming pool. Price U.S. \$200,000.

\* AT BAY POINT (residential area): a top-class, 3-floor building, facing Biscayne Bay, on the water's edge, private garden and pool. Studios, one and two-bedroom apartments and 2 penthouses. Average price U.S. \$100,000.

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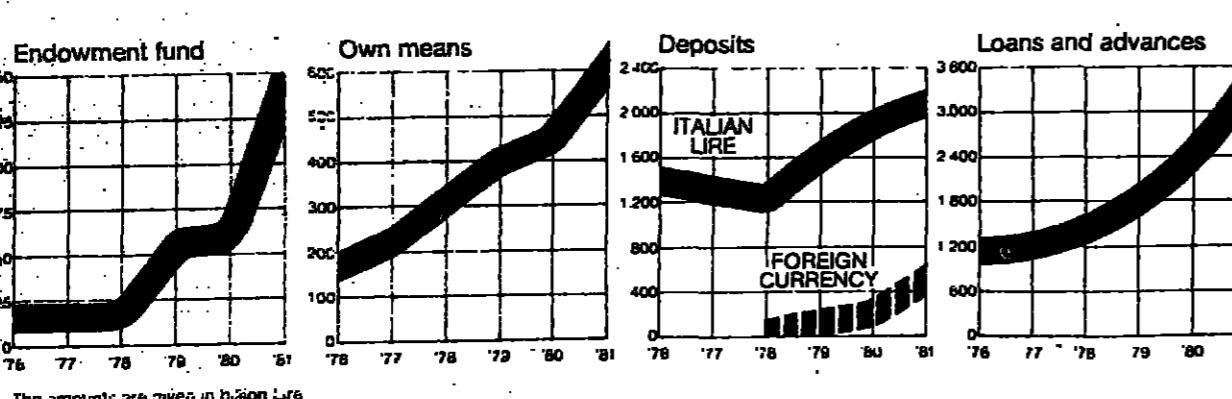
□ villa □ apartment as well as your "technical assistance package" with "moral responsibility".

Mr. \_\_\_\_\_  
Address \_\_\_\_\_  
Tel. \_\_\_\_\_  
Occupation \_\_\_\_\_

SAMCO European Branch, B.P. 18, 5, rue Jacques-Balmat, 1211 Genève 11, Switzerland. Tel.: 022/215533. Telex: 422571. HT 4-6

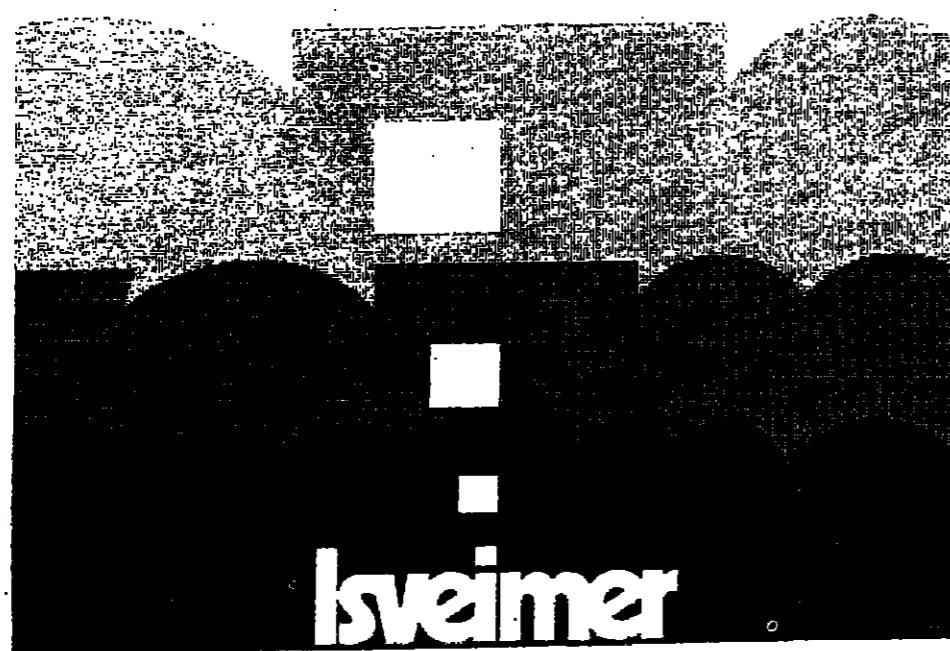
## The growth continues.

The 1981 Balance Sheet figures have emphasized the growth achieved by Isveimer these past years, confirming the solidity of the Bank's financial position which has attained a level of exceptional importance.

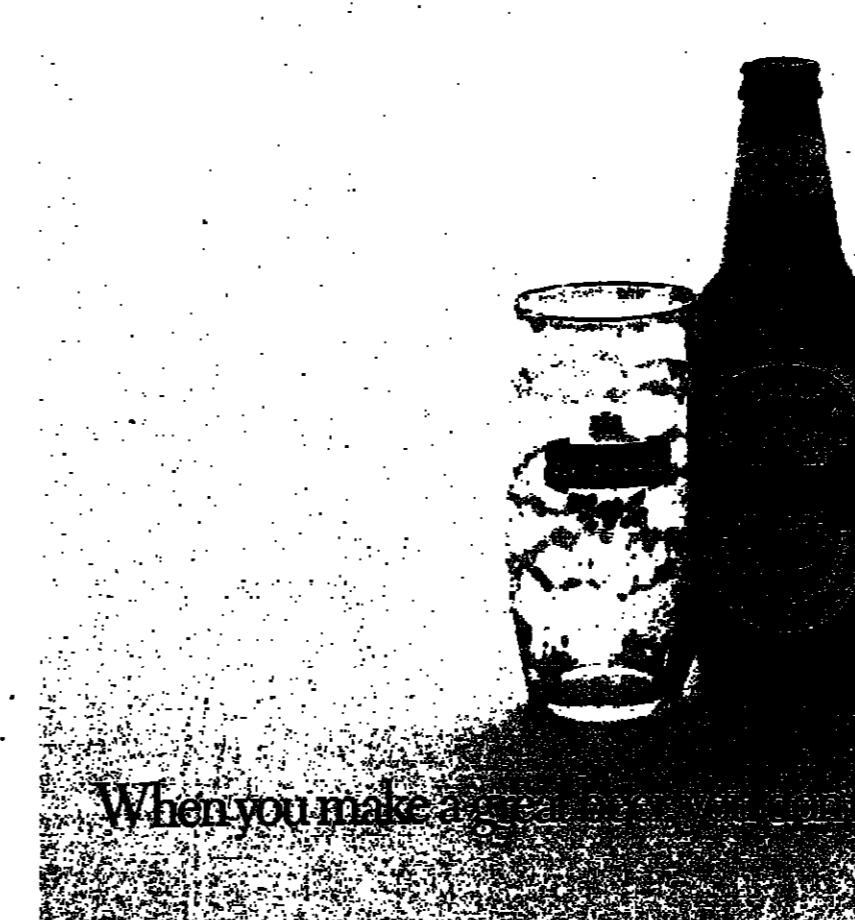


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## Every picture tells a story.



When you make a great beer, make a great fuss.

## **Thursday's AMEX Closing Prices**

Tables include the nationwide prices up to the closing on Wall Street

## **UAW Head Seeks Larger U.S. Role**

*United Press International*

**WASHINGTON** — The president of the United Auto Workers union, Douglas Fraser, has urged Congress to require foreign automakers to use a substantial share of U.S. labor and parts for cars and trucks sold in the United States.

He told the House foreign affairs subcommittee on Wednesday such a "local content" law could substantially aid the depressed domestic auto industry and is "clearly superior to long-term measures which simply limit imports. Such a law would create 866,000 auto and auto-related supplier jobs in the United States by 1985.

"The crisis in the domestic auto industry has been severely aggravated by increased imports, particularly from Japan," Mr. Fraser said. Japanese imports accounted for 25 percent of the U.S. market in January.

He noted that Japan has its own local content law for U.S. passenger and military aircraft, requiring 40 percent of the parts to be made in Japan.

The bill supported by Mr. Fraser would require that foreign companies with sales over 500,000 vehicles per year have the U.S. automotive production equivalent in value to 90

Companies with lower sales would face less stringent standards, starting with 25 percent for those companies with yearly sales of 100,000 to 150,000 vehicles.

"No other major auto-producing nation has ever allowed its auto production to collapse relative to local sales at the rate we have experienced since 1973," Mr. Fraser said.

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**EVERYWHERE YOU GO.**

**ASK FOR IT EVERY DAY.  
EVERYWHERE YOU GO.**

## International Herald Tribune

When you fly the Atlantic, is it really the width of the seats that makes you choose one airline rather than another?



We suspect you may be influenced by some tangible. But just for the record, our company has the widest selection of fine leather goods in the country.

British way  
British  
ways







## OBSERVER

## The Big Double Cross

By Russell Baker

**NEW YORK** — I envy Hoagy Carmichael. Hoagy chose the right line of work. While seated one day at the piano he wrote a song called "Starburst," after which he never had to work again unless he wanted to.

Every night, year in and year out for decades, somebody somewhere in the world would open a microphone and say, "And now, ladies and gentlemen, Hoagy Carmichael's immortal 'Starburst,'" and they played it again. Sam, and audiences applauded, and Hoagy got his percentage.

His audiences didn't demand a brand new song every week. They loved hearing the same old song over and over, couldn't get enough of it. It seemed, because when Hoagy Carmichael's "Immortal Starburst" was announced, audiences would whistle, clap and bang their beer steins on the table, in a way that meant, "Yeah! Yeah! 'Immortal Starburst!' We've heard that old song from our cradle and can't wait to hear it again."

I mention this because of the recent to-do about Ann Landers. She writes an advice-to-the-troubled-and-lovelorn column for the newspapers. Well, what a scandal in the press world a couple of weeks back when somebody discovered she'd recycled some old letters she'd received back in the Bronze Age.

Strong editors fainted and weak editors canceled her column while groveling in apologies to their audiences.

A few days later an even more astounding confession appeared in The New York Times. A news story reported that a recent crossword puzzle appearing in the paper had, in fact, been printed years and years before in The Times. The Times story was so apologetic that it neglected to answer the one fascinating question about the recycling, which was, "How in the world was the crime detected?" I've been doing Times crossword puzzles for 25 years and I wouldn't recognize yesterday's if you set it before me right now. Is there somebody running loose in the

world who can remember crossword puzzles he solved during the Eisenhower administration?

Since "the press" turned into "the media" though, strange changes have occurred in the journalistic mentality, and we now see it at grips with rarefied questions of professional ethics and terrible fears about integrity. In the old days, discovery that a paper had run an antique crossword puzzle would have been an after-work joke at the saloon. If the lovelorn columnist was reprinting mushy letters somebody would have said, "So how many problems can the lovelorn population have? Twelve at the outside. What's the difference?"

Now, however, "news" is being redefined to mean "new." It doesn't matter that there really isn't very much new under the sun. "The media" must at least make a good-faith effort to show there is some small newness even in the oldest hat.

If Miss Landers, wishing to deal with the eternal problem of lovesickness, digs out a 1965 letter from "Lovesick" to start her column, she cannot say, "And now, ladies and gentlemen, Ann Landers' immortal 'Lovesick.'" She's expected to wait for the mailman to bring her a new letter signed "Lovesick."

If that would show more integrity, I don't see how. It seems to me it would show less integrity if she gave conflicting advice to "Lovesick" every time around just so she could say something new.

Anyhow, if you ask me, people really prefer getting the same old tune over and over. I go on and on about this because I'd hoped to slip to the beach today and thought I'd slip in a really terrific column I published here back in 1965. Hardly any of you read it, and those who did won't remember, and it was far superior to this, but at the last minute, realizing it would be unethical, I gave up my crack at the beach rather than risk being stoned by my editors.

I'd like to have been Hoagy Carmichael trying to live by this code.

Can you imagine? The second he turned to the audience and said, "And now, ladies and gentlemen, in its second performance, my someday-to-be-immortal 'Starburst,'" they would have kicked his piano to splinters for unethical tinkling.

New York Times Service

United Press International

AP Wirephoto



Andrew Sorkin, The New York Times

Captain Erik Rudstrom

By Iver Peterson

New York Times Service

**"T**IT'S a simple story," Dr. Lynn Halmrast said. "It's the fulfillment of a fantasy, a Walt Disney production coming to real life. It strikes a lot of chords."

Halmrast is a 37-year-old psychologist in Moorehead, Minn., and knows about the importance of dealing forthrightly with fantasies. He and 12 other Norwegians, along with a Norwegian citizen, are fulfilling a fantasy of their own — sailing in a reproduction of a Viking "long ship" in an attempt to duplicate the west-to-east voyage that the Norse discoverer Leif Ericson made nearly 1,000 years ago when he found a huge and fruitful land to the west and south of Greenland.

Ericson is believed to have landed on the North American coast, probably Newfoundland or Nova Scotia, in the year 1000 after his ship was blown off course on a voyage from Norway to Greenland. When he returned to Greenland he described the newly discovered region as Vinland, a land abundant in grapes and self-sown wheat.

If the winds are favorable and the sea benign, the 75-foot dragon ship *Hjemkomst* — means "Homecoming" in Norwegian — will glide into the harbors of Bergen and Oslo in a few weeks, adding one more name to the list of airplanes, kayaks, helium balloons and other exotic conveyances that Americans have used to make an adventure and a few headlines out of a trip back to the old country.

The *Hjemkomst* displaces 16 tons and has no motors — "no auxiliary power except the wind and our arms," said Erik Rudstrom, a 65-year-old Norwegian with wide experience in sailing open boats in the North Atlantic, who is captain of the vessel.

"She's a very good, very fast boat," Rudstrom said. Despite the sail, which is 30 feet high and 36 feet wide, the vessel will point to 55 degrees of the wind, he said, making possible for it to tack upwind, albeit slowly.

The statistical record says the wind should be 35 percent from the back in the summer," he added. "That's the statistics. We may get it from the other side, too, and that will make it longer to go."

The 19-foot oars are used primarily to maneuver the ship inshore, he said. At sea, she will carry only mandatory communications equipment.

The *Hjemkomst* sailed to Buffalo, then through the New York Barge Canal System to the Hudson River, which it will follow to New York City, before setting off across the Atlantic.

In the decade after he fastened the first oak plank to the ship's heavy keel, the building of the *Hjemkomst* became a kind of communal ethnic rite among the descendants of Scandinavian farmers in Minnesota.

However, by July, 1980, when the ship was christened in Duluth, Minn., Asp was dying from leukemia. He died four months later, his dream ship in the water but still awaiting its rigging and outfitting.

But others, like Halmrast, had become involved in the project. And with Asp's widow, Rosie, and their four children in the lead, the *Hjemkomst* took on its final form, with an oak dragon's head, contributed by a North Dakota sculptor, projecting from the bow to frighten sea spirits.

"That's what's so special about it," Halmrast said. "All the people who can't make the trip can be a part of it. They'll still be part of sailing a Viking warship to Norway."

The voyage across the North Atlantic is a reproduction of a Viking long ship has been made once before in modern times, but from east to west. In 1893, Magnus Anderson sailed a Gokstad-design vessel from Norway

to the Columbian Exposition in Chicago, where the ship is still on display.

The *Hjemkomst* expedition is operating on a budget of about \$275,000, some of it provided by corporations but most of it raised a dollar at a time in the sale of T-shirts and pins and short books about the project, "A Dream Is a Dream" from a camper that is following the *Hjemkomst* from Duluth, through the Great Lakes to the Atlantic.

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## PEOPLE

## Seeking a Greek Name

Vincent Aloysius Evans wanted to express his love for Greeks by becoming Xanthotheodimadoukas. But a judge in Kansas City, Mo., concerned for computers, killed the name change. Evans, 50, had told the judge it was "real simple." Nuns in the Kansas City orphanage where he grew up had given him a name he never liked because it "didn't sound right." So he wanted Xanthotheodimadoukas. Xantho is for Stevens Zacharias, "about the youngest Greek composer there is and one of the beholder." Newsweek received only about a dozen calls from readers unhappy about the cover, said a spokesman. Making the cover of Newsweek "is not an art dream and certainly not mine," said Bailey, 51, a professor of painting at Yale. "A painting is a single object and for a painter it's a very private thing," he said. "To see it in that number of copies makes one feel very vulnerable. When you have paintings in front of a mass audience, one wonders how they see the thing."

Paul Newman, Tatiana O'Neal and Muhammad Ali are among the American celebrities helping Japanese companies sell coffee, watches and after-shave lotion on Japanese television. TV Guide reports. In fact, some American stars who aren't normally seen on commercials in the United States could agree to do such ads for Japanese TV, the reason that stars like Newman agree to do commercials in Japan but not here is that the Japanese do "image" commercials," said Stephen Carbone, vice president of the talent agency International Creative Management. "You'll see the celebrity at home, on the set, play. At no time do they have to hold up the product and say, 'Buy it.' About 15 percent of all Japanese commercials are shot outside of Japan. TV Guide said the Japanese, enchanted by the wide-open image of the old American West, have used the Grand Canyon and the Painted Desert as backdrops for commercials. "Japan, as you know, is very crowded," said Hiroaki Wagatsuma, a Japanese commercial director. "The West — especially the West — represents a particularly potent fantasy of unlimited space and movement."

## Vikings in Reverse

By Iver Peterson

New York Times Service

**"T**IT'S a simple story," Dr. Lynn Halmrast said. "It's the fulfillment of a fantasy, a Walt Disney production coming to real life. It strikes a lot of chords."

Halmrast is a 37-year-old psychologist in Moorehead, Minn., and knows about the importance of dealing forthrightly with fantasies. He and 12 other Norwegians, along with a Norwegian citizen, are fulfilling a fantasy of their own — sailing in a reproduction of a Viking "long ship" in an attempt to duplicate the west-to-east voyage that the Norse discoverer Leif Ericson made nearly 1,000 years ago when he found a huge and fruitful land to the west and south of Greenland.

Ericson is believed to have landed on the North American coast, probably Newfoundland or Nova Scotia, in the year 1000 after his ship was blown off course on a voyage from Norway to Greenland. When he returned to Greenland he described the newly discovered region as Vinland, a land abundant in grapes and self-sown wheat.

The *Hjemkomst* displaces 16 tons and has no motors — "no auxiliary power except the wind and our arms," said Erik Rudstrom, a 65-year-old Norwegian with wide experience in sailing open boats in the North Atlantic, who is captain of the vessel.

If the winds are favorable and the sea benign, the 75-foot dragon ship *Hjemkomst* — means "Homecoming" in Norwegian — will glide into the harbors of Bergen and Oslo in a few weeks, adding one more name to the list of airplanes, kayaks, helium balloons and other exotic conveyances that Americans have used to make an adventure and a few headlines out of a trip back to the old country.

The *Hjemkomst* is operating on a budget of about \$275,000, some of it provided by corporations but most of it raised a dollar at a time in the sale of T-shirts and pins and short books about the project, "A Dream Is a Dream" from a camper that is following the *Hjemkomst* from Duluth, through the Great Lakes to the Atlantic.

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